

FOR THE PERIOD JULY 1, 2005  
THROUGH JUNE 30, 2007

SWMP OPERATIONS

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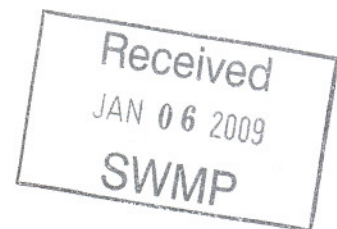
## DAS ACCOUNTING

**CASEY AND COMPANY, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**COLUMBIA, MISSOURI**

# NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION C

## TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES .....	1 – 5
SUMMARY OF FINDINGS AND QUESTIONED COSTS .....	6 – 11
FOLLOW- UP ON PRIOR FINDINGS:	
Prior Agreed-Upon Procedures.....	12 – 16
APPENDICES:	
I History and Organization.....	18 – 19
II Schedule of State Funding	
Year Ended June 30, 2007 .....	20
Year Ended June 30, 2006 .....	21
III Composition of Cash Balance, June 30, 2007 .....	22



**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED UPON PROCEDURES**

# CASEY AND COMPANY OF COLUMBIA, L.L.C.



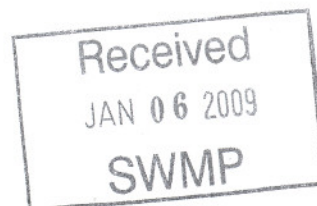
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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES

Missouri Department of Natural Resources  
Jefferson City, Missouri  
and

Northeast Missouri Solid Waste Management District- Region C  
Memphis, Missouri



We have performed the procedures enumerated below, which were agreed to by the Missouri Department of Natural Resources (the "Department" or "MDNR"), solely to assist you in evaluating the effectiveness of the Northeast Missouri Solid Waste Management District - Region C's (the "District") compliance with state law, regulations, and policies for the period July 1, 2005 through June 30, 2007. Management is responsible for the District's internal control over compliance with these requirements and the accompanying appendices.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the District's solid waste management program and any fraud or illegal acts that are more than inconsequential that come to our attention. We are also required to obtain the views of management on those matters. Our agreed-upon procedures engagement disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of management, are described in the accompanying Summary of Findings and Questioned Costs.

Our procedures, as set forth in the MDNR Solid Waste Management District Agreed-Upon Procedures Engagement, and findings are as follows:

### 1. History and Organization

We reviewed the history and organization of the District for compliance with the Revised Statutes of Missouri (RSMo). This included a review of the:



**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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- District organization and formation;
- Executive Board and Council structure, terms and functions, including if the District was organized under an alternative management structure;
- Policies and procedures for monitoring members of the Executive Board and Council; and
- District by-laws.

Findings: See Finding Number 1 (See Appendix 1)

**2. Minutes of Meetings**

We reviewed minutes of meetings for the Executive Board and Council for the engagement period and completed Attachment 1 "The Missouri Sunshine Law Compliance Checklist" to determine if meetings are documented as required. We also reviewed whether the District had a written policy in accordance with Chapter 610 RSMo regarding the release of information on any meeting, record, or vote as required by state law.

Findings: See Finding Number 2

**3. Follow-up to Prior Audits**

We determined what actions the District has taken to correct the findings, including the status and corrective action on the prior agreed-upon procedures engagement.

Findings: See Follow-Up on Prior Findings

**4. Internal Controls**

We reviewed the District's internal controls and completed Attachment 2 "Internal Control Questionnaire", which identifies strengths and weaknesses of the internal controls.

Findings: None

**5. Cash**

We obtained a listing of all bank account names and numbers of the District and performed the following procedures:

- Verified the bank reconciliation process;
- Confirmed with the MDNR advanced funds for deposit (See Appendix II);
- Evaluated control, custody and signing of checks;
- Reviewed for any local funds;
- Reconciled year-end cash balances by type, state, local, etc., to amounts reported to the MDNR (See Appendix III);
- Reviewed and analyzed the allocation and use of interest income and program income; and
- Reviewed the District's cash management practices.

Findings: See Finding Numbers 3 and 4

**6. Administrative/Management Services**

We reviewed to determine whether the District contracts for its administrative/management services, and:

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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- Determined whether contract or services provided are written and properly approved;
- Reviewed the contract or services provided for propriety and reasonableness; and
- Reviewed any invoices and supporting documentation to determine that payments for services are appropriate, properly approved, and in compliance with the contract terms.

Findings: None

**7. General and Special Terms and Conditions**

We reviewed and documented the District's compliance with the general and special terms and conditions of the financial assistance agreement with the MDNR for the following requirements:

- Non-Discrimination;
- Environmental laws and eligibility;
- Hatch Act and restrictions on lobbying;
- Program income;
- Equipment management;
- Prior approval for publications;
- Audit requirements;
- Recycled paper; and
- Contracting with small and minority firms.

Findings: See Finding Number 5

**8. District Grants**

We obtained a schedule of District grants from the MDNR and reviewed the Guidance Document for Solid Waste Management District Grants. We also completed Attachment 3 "Detailed Review of District Grant Projects" for each awarded project selected for review. This included the review, evaluation and testing for the:

1. Proposal procurement process;
2. Proposal review and evaluation process; and
3. Grant projects selected for review as follows:
  - C2007-01, Region C, Administration;
  - C2007-02, Industrial Opportunities (Sheltered Workshop), Overhead Expenses;
  - C2007-05, D&D Recycling Business, Building Expansion;
  - C2006-01, Region C, Administration Grant;
  - C2006-02, Region C, Education and Plan Implementation; and
  - C2006-04, American Children's Safety Network, Children's Safety Equipment.

Findings: See Finding Numbers 6 and 7

We were not engaged to and did not conduct an examination or review of the subject matter, the objectives of which would be the expression of an opinion or limited assurance on the subject matter. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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This report is intended solely for the information and use of the Missouri Department of Natural Resources and the Northeast Missouri Solid Waste Management District – Region C and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Casey and Company, LLC*

Casey and Company, LLC  
Certified Public Accountants  
Columbia, Missouri

August 25, 2008

## **SUMMARY OF FINDINGS AND QUESTIONED COSTS**



**NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION C**  
**SUMMARY OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

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1. Lack of Ordinance or Order to Join the Solid Waste Management District

Condition: The District did not have a written ordinance or order adopted by the governing body of Adair County to join the Northeast Missouri Solid Waste Management District – Region C. In December 1992, the Adair County Commission only sent a letter signed by a County Commissioner indicating that the Commission voted to join the District.

Criteria: RSMo Section 260.305 requires that a county shall adopt an ordinance or order to join a solid waste management district.

Cause: The District did not realize that it needed an ordinance or order adopted by the governing body of Adair County to show that it approved joining the District.

Effect: The District may have included a county that has not provided the proper ordinance or order to join the District.

Recommendation:

The District should contact the County Commission of Adair County to determine if an ordinance or order was prepared to join the District and obtain a copy of the document for its permanent file. If an ordinance or order was not adopted, the District should request the County Commission to adopt an ordinance or order.

*District Response:*

*Adair County has been asked to research their files for the resolution or pass a new resolution.*

2. Executive Board/Council Meeting Minutes Incomplete and No Sunshine Law Policy

Condition: All Executive Board/Council meeting agenda/public notices do not include whether the meetings are open or closed to the public and all Executive Board/Council meeting minutes do not list the members absent. Also, all Executive Board/Council meeting minutes are signed by the Board Secretary but not attested to by the Board Chairman or another board member. In addition, the District does not have a written policy in compliance with the open meetings and records law as required by RSMo Chapter 610.

Criteria: RSMo, Chapter 610 (commonly referred to as the Missouri Sunshine Law) requires the public notice/agenda to include whether the meeting is open or closed to the public. RSMo Section 610.020.7 requires the minutes to include the members absent from the meeting and also good business practices dictate that the meeting minutes should be attested to by the Board Chairman or another board member to ensure their completeness and accuracy. RSMo Section 610.028.2 requires a public governmental body to adopt a written policy in compliance with the open meetings and records law pertaining to the release of information on any meeting, record or vote.

Cause: The District was unaware of the criteria requirements of the Missouri Sunshine Law.

Effect: The District did not fully comply with the Missouri Sunshine Law.

**NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION C  
SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

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**Recommendation:**

We recommend that the District include in its public notice/agenda whether the Executive Board/Council meeting is open or closed to the public; the Executive Board/Council meeting minutes include the members absent and that the minutes are attested to by the Board Chairman or another board member. We also recommend the District adopt a written policy in compliance with the open meetings and records law as required by state law.

**District Response:**

*The District agrees we did not include this wording in the board meeting agenda/public notice. Beginning with our most recent meeting, September 18, 2008, that information is stated on our agenda/public notice. The District agrees we did not include those members absent in the minutes. Beginning with our most recent meeting, September 18, 2008, those members absent are also recorded in the minutes. The District agrees we have not had board meeting minutes attested to by a second person. Beginning with our most recent meeting, September 18, 2008, board meeting minutes will be signed by the Board Secretary or alternate and attested to by one board member. The District agrees we have no written policy for the open meeting and records law as required by RSMo Section 610.028.2. The District will develop and adopt such a policy.*

**3. District's Quarterly Project Financial Summary Forms Not Accurately Prepared**

**Condition:** The quarterly report for the period ended June 30, 2007 and submitted to the MDNR was not accurately prepared and did not reconcile to the total cash balance held by the District at fiscal year end.

A reconciliation of the total project awards received, disbursed, and ending balances was prepared for both fiscal years ended June 30, 2007 and June 30, 2006 and the reconciliation as of June 30, 2007 is included at Appendix III. The quarterly report prepared by the District as of June 30, 2007 indicated a cash balance of \$180,995 but the actual reconciled cash balance was \$198,067 or a difference of \$17,072 not identified to any particular grant project(s). The quarterly report also indicated a carryover unobligated amount of \$5,893 that could not be identified to any specific project(s).

**Criteria:** Section I.E.1. of the General Terms and Conditions requires that accurate, current, and complete disclosure of financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the subgrant.

**Cause:** The District did not ensure that the quarterly report was properly prepared and reconciled to the bank account balance at year end. The District did not maintain accounting records to identify all sources of funds.

**Effect:** The District is not maintaining proper records regarding the monies remaining in each subgrant or unobligated carryover funds from prior projects compared to the total cash balance held by the District.

**Question Cost:** The total difference not identified to any particular grant project(s) and the carryover unobligated amount above totaling \$22,965 is questioned.



**NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION C  
SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

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**Recommendation:**

The District properly prepare its quarterly financial reports by subgrant noting the receipts and disbursements from each grant funded by the MDNR and any carryover funds unobligated. The balances remaining in each subgrant should be reconciled to the total cash balance held by the District. Any unidentified funds must be obligated by the District during the next grant cycle.

**District Response:**

*The District was unaware that quarterly project financial summary reports did not reconcile to the cash balance in the bank account. A meeting with the MDNR Solid Waste Management Program has been scheduled in order to reconcile the noted reports.*

**4. Interest Income Not Timely Obligated**

**Condition:** The District is not timely obligating the interest income collected and held in the District's bank account. At June 30, 2007, the District had interest income of \$29,369 which had been allowed to accumulate over several years.

**Criteria:** Interest income earned on state grants is considered state funds and the expenditure of interest income must be done pursuant to a state grant approved by the MDNR. The Department's Special Terms and Conditions state: "Expenditure of income earned from interest on district grant agreement funds must be in compliance with 10 CSR 80-9.050 Solid Waste Management Fund (SWMF) – District Grants." State rule 10 CSR 80-9.050(1)(C)1 states: "Grant monies made available by this rule shall be allocated by the district for projects contained within the district's approved solid waste management plan."

**Cause:** The District had neglected to properly allocate the interest income earned each fiscal year to a particular project for proper spending.

**Effect:** The District did not follow the MDNR guidelines on showing interest income as an unobligated balance to be made available in the next grant cycle.

**Recommendation:**

We recommend that the District timely obligate the interest income remaining in its bank account to future grant projects.

**District Response:**

*The District agrees interest income may not have been obligated to future projects in a timely manner. The District will establish policies to ensure that all funds are obligated in a timely manner.*

**5. District Lien not Obtained on Vehicle and Equipment Inventory Listing Not Complete**

**Condition:** A subgrantee had filed a UCC-1 form on a truck purchased through a grant project but the subgrantee did not include the District as a lien holder on the title filed with the Department of Revenue. Also, the equipment inventory listing contains several items held by the subgrantees where the time period for the security interest has fully depreciated but the listing does not note that the time period for securing the asset has expired.

**NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION C  
SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

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Criteria: The Special Terms and Conditions require that if the equipment purchased with SWMF monies is required to be titled through the Missouri Department of Revenue, the Solid Waste Management District must be listed as a lien holder on said title.

Cause: The District did not obtain the title to the truck on a timely basis to ensure the District was listed as the lien holder on the title.

Effect: The District may not be adequately protected if the truck is not held until the security interest lapses.

Recommendation:

We recommend the District have the title of the truck refiled to include the District as a lien holder. We also recommend the equipment inventory listing clearly disclose those items where the security interest has expired.

*District Response:*

*The District agrees items were not removed from the inventory listing after the 4 year period. The inventory listing will be updated to reflect only equipment within the 4 year security interest period. All items older than the 4 years will be released back to the subgrantee. The District agrees the truck purchased by Truman State University does not list the District as a lien holder but instead had a UCC-1 filing. In the future, the District will take steps to assure all titled equipment list the District as the lien holder for 4 years after purchase.*

6. Criteria for Evaluation of Grant Projects Not Inclusive of all Criteria Requirements

Condition: The District's grant criteria for evaluating grant projects included a total of 28 criteria; however, the criteria did not include: 1) Degree to which funding to the project will adversely affect existing private entities in the market segment, and 2) Degree to which the project promotes waste reduction or recycling through the proposed process.

Criteria: 10 CSR 80-9.050(2)(C)3 requires that the executive board shall evaluate each proposal that is determined to be eligible and complete. The evaluation method will include the required criteria, as appropriate per project category.

Cause: The District had inadvertently deleted these respective criteria since the District no longer felt the need for these items.

Effect: The District Executive Board did not fully evaluate applicable grant proposals with all of the required criteria.

Recommendation:

We recommend that the District use all of the required criteria for proper evaluation of all grant proposals.

*District Response:*

*The District was unaware that 2 of the required criteria were not included on the ranking sheet. The District has placed the items on the ranking sheet and the new ranking sheet was approved at the September 18, 2008 meeting.*



**NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION C  
SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

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7. Ranking Sheets for 2006 Grants Incomplete and Possible Conflict of Interest

Condition: The ranking sheets for the 2006 grant projects were incomplete. The ranking sheets for 6 of 7 board members that ranked the grant projects were not signed and several ranking sheet totals were inaccurate. In addition, since the board members did not sign their ranking sheet, it could not be determined whether a board member ranked and evaluated a project for the area represented by the member. The March 2006 board minutes did not indicate board members with potential conflicts abstained from voting for approval of the grant projects.

Criteria: 10 CSR 80-9.050(1)(C)4 states; "District funds will not be awarded for a project whose applicant is directly involved in the evaluation and ranking of that particular project." Good business practices require that adequate documentation be maintained to support the ranking of grant projects and to ensure that Executive Board members abstain from ranking or approving grant projects where a conflict of interest situation may exist.

Cause: The District did not take necessary measures to ensure that the ranking sheets were properly signed and that the total scores for each project were accurately calculated. The District did not have a policy in place to ensure that board members with a potential or real conflict of interest abstain from voting on grant projects where such a conflict exists and that the meeting minutes reflect the abstention.

Effect: The District cannot determine whether or not a board member properly abstained from ranking and reviewing a grant project for the area represented by the member, or whether or not the board member abstained from voting in the board minutes for the project. The potential of a conflict of interest may exist when a board member does not abstain from ranking, reviewing, or voting for a grant project for the area represented.

Recommendation: We recommend that the District ensure ranking sheets are properly signed and dated and that the scores are accurately calculated. We also recommend that the District ensure that board members properly abstain from voting on approval of projects where there is a potential conflict of interest. The board minutes must reflect such abstention.

*District Response:*

*The District agrees that ranking sheets were unidentified by board members. The District has revised the ranking sheet format to include a signature line, which will remove any doubt of any board member's involvement in one's own application, and the new ranking sheet was approved at the September 18, 2008 meeting. While the District agrees the minutes did not accurately note the abstention of a board member, the District assures that such abstention did take place. In the future, the District will adopt a policy that such votes be taken by roll call and that such roll call will be made a permanent attachment to the minutes.*

## **FOLLOW-UP ON PRIOR FINDINGS**

## **NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION C FOLLOW-UP ON PRIOR FINDINGS**

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The Northeast Missouri Solid Waste Management District previously had an agreed-upon procedures review for the fiscal years of 1992-1997 which was contracted to an independent CPA firm by the MDNR. That report had the following findings with the current status for each finding noted. Twelve of the 14 prior findings were considered implemented and two were considered partially implemented by the District.

Finding 1: Inappropriate Composition and Operation of the District Council and Executive Board

The Executive Board composition did not appear to comply with RSMo 260.315 limiting the membership of the Executive Board to seven members. The Council had met on several occasions without quorums and taken actions without a quorum present. In addition, the District did not have sufficient records to support the terms of most of the Council members.

Status:

The District provided to the Department's Solid Waste Management Program (SWMP) resolutions indicating the District was administered under an alternative management structure and meeting minutes supporting previous board decisions as required by RSMo 260.300 and RSMo 260.315. No similar condition was noted during the present engagement.

Finding 2: Failure to Adopt and Implement Required Policies

No policies were adopted in the areas of procurement, non-discrimination, environmental standards, debarment/suspension, disadvantaged business enterprises, or compliance with general terms and conditions of grants. The District has not prepared or filed Form 334 relating to disadvantaged business enterprises.

Status:

The District provided to the Department's SWMP approved policies as required by GTC, 1.A., B., II.N, and II.S and has been providing form 334 quarterly. No similar condition was noted during the present engagement.

Finding 3: Failure to Obtain Approval for Service Contract

The District entered into a series of service contracts with the Northeast Missouri Regional Planning Commission and Rural Development Corporation for management services. No notification was made to the MDNR and no approval was received prior to entering into the contract.

Status:

The District provided to the Department's SWMP copies of service contracts between the Northeast Missouri Regional Planning Commission and Rural Development Corporation and itself to comply with GTC, II.N. No similar condition was noted during the present engagement.

Finding 4: Failure to Use Post Consumer Content Paper

The District used recycled paper in its operations but it could not be verified that the paper used had any post consumer content.



## **NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION C FOLLOW-UP ON PRIOR FINDINGS (CONTINUED)**

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### Status:

The District provided documentation to the Department's SWMP supporting its use of the proper percentage of post consumer content. The District has now procured the required paper. No similar condition was noted during the present engagement.

### Finding 5: Failure to Print the Recycle Symbol on Required Materials

The District did not print the recycle symbol on required materials.

### Status:

The District provided to the Department's SWMP several copies of correspondence displaying the chasing arrow symbol as required by GTC, II.V. No similar condition was noted during the present engagement.

### Finding 6: Failure to Establish an Education Program

The District has applied for two district grants to establish a public education program. The 1993 grant, 93056, was used for other purposes and the other grant, 97019, was funded in May of 1997 and has not been implemented as of the audit date.

### Status:

The District provided to the Department's SWMP the required quarterly reports indicating the projects progress as required by RSMo 260.320.3(4). No similar condition was noted during the present engagement.

### Finding 7: Failure to Adopt and Implement Conflict of Interest Policies

The District has made no positive efforts to adopt a conflict of interest policy or to request information regarding conflicts of interest from the Council or Board members.

### Status:

The District provided to the Department's SWMP a copy of the adopted policy as required by RSMo 260.320.5 and GTC, II.Q. with supporting Executive Board meeting minutes approving the policy. See current finding number 7 on possible conflict of interest.

### Finding 8: Inappropriate Handling of State Funded Equipment

Title to grant funded equipment has been vested in the subgrantee with a lien registered in the District's name in some cases. The District has not maintained records of any equipment funded with state grant funds.

### Status:

The District provided to the Department's SWMP a grant funded equipment policy as required by GTC, II.J. and the October 21, 1999, Executive Board meeting minutes in which the policy was approved. Copies of the District's completed inventory records were provided to the Department's SWMP. See current finding number 5 for a condition related to inventory records and the District not listed as a lien holder on a title.



## **NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION C FOLLOW-UP ON PRIOR FINDINGS (CONTINUED)**

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### **Finding 9:      Lack of Board Involvement in Internal Control Activity**

The Executive Board has met only two times since the formation of the District. There is little or no supervision of the internal control aspects for financial matters.

#### **Status:**

The District has provided to the Department's SWMP copies of Executive Board meeting minutes as they have occurred as required by GTC, II.E. No similar condition was noted during the present engagement.

### **Finding 10:      Failure to Perform or Document Bank Reconciliations**

Bank reconciliations were not performed in some cases and in most cases there was no documentation of the reconciliation. No review of the reconciliations was performed by the Board.

#### **Status:**

The District provided to the Department's SWMP the procedure as approved by policy and a copy of the October 21, 1999, Executive Board meeting in which it was approved as required by GTC, II(E), 2.3 and 3. No similar condition was noted during the present engagement.

### **Finding 11:      Failure to Maintain Accounting Records on the Basis of Generally Accepted Accounting Principles**

The District's accounting records are maintained on the cash basis. The District has made no effort to determine the method of accounting for subrecipients.

#### **Status:**

The District provided to the Department's SWMP an independent audit performed by a CPA for the Northeast Missouri Regional Planning Commission and Rural Development Corporation which is the contracted administering entity of the solid waste management district as required by 10 CSR 80-9.050. The report indicates that the entity is maintaining accounts in accordance with the principles of fund accounting. No similar condition was noted during the present engagement.

### **Finding 12:      Failure to Establish Cash Management Procedures**

The District has requested state grant funds prior to the time the funds are needed and prior to the time the related expenditures have been made.

#### **Status:**

The District provided to the Department's SWMP correspondence indicating it was committed to making every effort to spend district grant funds as expeditiously as practical as recommended by the contracted auditor as required by the STC 1. No similar condition was noted during the present engagement.

## **NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION C FOLLOW-UP ON PRIOR FINDINGS (CONTINUED)**

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### **Finding 13:     Failure to Use Grant Money as Proposed**

District Grant 93056 was proposed by the Northeast Missouri Regional Planning Commission and Rural Development Corporation as a public education grant. The project description indicated that the money was to be spent to develop educational materials such as a high school curriculum. The money was spent to clean up road side dumps in several counties. All funds were paid to county commissions for the use of heavy equipment.

### **Status:**

The District provided to the Department's SWMP a copy of the Executive Board meeting minutes approving the subgrantee's change in scope as required by GTC, II.G. The Department's SWMP does not require the District to refund the questioned \$24,921.67 because the District provided a valuable solid waste activity that enhanced the quality of life in its area. Though not the original intent of the project, by discussing and approving the change and providing activities that accomplish requirements of the solid waste management law, the Department's SWMP contends the funds were spent for appropriate activities. No similar condition was noted during the present engagement.

### **Finding 14:     Failure to Provide Funding Notice of Public Documents**

Press releases and other public notifications prepared by the District did not identify the Department of Natural Resources as a funding source.

### **Status:**

The District has started identifying the Department of Natural Resources as a funding source on all press releases and other public notifications. No similar condition was noted during the present engagement.

**The District's financial audits for the years ended June 30, 2007 and June 30, 2006 did not have any findings requiring further follow-up.**

## APPENDICES



## NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION C HISTORY AND ORGANIZATION

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### Function of the District

Missouri's 20 solid waste management districts were created to foster regional cooperation among cities and counties in addressing solid waste management issues. The main function of a district is to develop a solid waste management plan with an emphasis on diverting waste from landfills and to assist with implementation of the solid waste management plan. Plans should include provisions for a range of solid waste activities: waste reduction programs; opportunities for material reuse; recycling collection and processing services; compost facilities and other yard waste collection options; education in schools and for the general public; management alternatives for items banned from Missouri landfills and household hazardous waste; and prevention or remediation of illegal dumps. To help achieve their goals, districts administer grants to public and private entities in their region, made possible with monies from the Solid Waste Management Fund through the Missouri Department of Natural Resources.

### Organizational Structure of the District

The Northeast Missouri Solid Waste Management District - Region C was officially recognized on February 18, 1992 by the Missouri Department of Natural Resources, and presently consists of six counties and eleven cities within these counties that have a population of 500 or more. The counties and cities that comprise the District are as follows:

Counties	Cities	
Adair	Canton	La Grange
Clark	Edina	Lewistown
Knox	Kahoka	Memphis
Lewis	Kirksville	Novinger
Schuyler	Labelle	Queen City
Scotland	Lancaster	

The counties of Clark, Knox, Lewis, Schuyler, and Scotland originally voted to join together and be recognized as the Northeast Missouri Solid Waste Management District – Region C. Adair County voted to join the District in December 1992.

Region C is governed by a Council and an Executive Board whose composition and duties are defined in the District C Joint Powers Agreement Creating the Northeast Missouri Solid Waste Management District which was last modified on February 18, 2004. The District Council shall consist of one elected representative, with one vote, from each city within the District with a population of 500 or greater, and two elected representatives, each with one vote, from each county within the District (total of 23 members). The District Council shall meet twice annually. The term of each Council member shall be two years and may be reappointed thereafter; however, members whose elected term of office in a city or county has expired shall be expeditiously replaced by the governing body from whence they were elected.

The Executive Board shall consist of one County Commissioner from each county and one Mayor or City Council member from each city with at least 500 population in each county (total of 17 members), and the nonvoting Northeast Missouri Regional Planning Commission.



## **NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION C HISTORY AND ORGANIZATION (CONTINUED)**

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**Board members as of June 30, 2007 are as follows:**

Adair County	Gary Jones
Clark County	Paul Allen
Knox County	L. P. Mayfield
Lewis County	Nancy Goehl
Schuyler County	Jim Werner
Scotland County	Mike Stephenson
City of Novinger	No resolution on file
City of Kahoka	Charles H. Butler
City of Edina	David Strickler, Jr.
City of Canton	John Clark
City of LaGrange	Mark Campbell
City of LaBelle	Larry Hackemack
City of Lancaster	John West
City of Queen City	Kathie Johns
City of Memphis	Roger Gosney
City of Kirksville	Martha Rowe
City of Lewistown	Jeffery Heubotter

**Council members are as follows:**

Adair County	Gary Jones
	Sid Osburn
Clark County	Paul Allen
	C. W. Higbee
Knox County	L. P. Mayfield
	Terry Marble
Lewis County	Nancy Goehl
	Jesse Roberts
Schuyler County	Robert Aldridge
	Jim Werner
Scotland County	Mike Stephenson
	Winifred Hill
City of Novinger	No resolution on file
City of Kirksville	Martha Rowe
City of Kahoka	Charles H. Butler
City of Edina	David Strickler, Jr.
City of Canton	John Clark
City of Lewistown	Jeffery Heubotter
City of LaGrange	Mark Cambell
City of LaBelle	Larry Hackemack
City of Lancaster	John West
City of Queen City	Kathie Johns
City of Memphis	Roger Gosney

The District has an annual administrative contract with the Northeast Missouri Regional Planning Commission Rural Development Corporation (RPC) to administer the operations of the District. Ten of the seventeen Executive Board members of the Solid Waste Management District are also Executive Board members of the RPC.

NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT - REGION C  
SCHEDULE OF STATE FUNDING  
YEAR ENDED JUNE 30, 2007

Awarded by State	Total	Grant No.	Project Amount	Project Description
September 2006	\$ 35,100.00	2007-01	\$ 35,100.00	Region C Administration
May 2007	73,280.19	2007-02	29,950.44	Industrial Opportunities, Inc. (Sheltered Workshop) Overhead Expenses
		2007-03	5,384.25	City of LaGrange Recycled Content City Trash Cans
		2007-04	2,945.50	City of Canton C&C Recycled Content City Trash Containers and Benches
		2007-05	35,000.00	D&D Recycling Business Building Expansion
		2007-06	-	Region C Waste Tire Collections
Totals	<u>\$ 108,380.19</u>		<u>\$ 108,380.19</u>	

**NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT - REGION C**  
**SCHEDULE OF STATE FUNDING**  
**YEAR ENDED JUNE 30, 2006**

Awarded by State	Total	Grant No.	Project Amount	Project Description
July 2005	\$ 87,575.00	2005181	\$ 12,103.97	Industrial Opportunities, Inc. Recycling Expansion 2005
		2005182	47,100.00	2005 Waste Tire Collection
		2005183	13,871.03	2005 Education and Plan Implementation
		2005184	14,500.00	2005 Electronics Collections
September 2005	27,300.00	2006-01	27,300.00	Region C Administration Grant
May 2006	32,335.95	2006-02	6,907.00	Region C Education and Plan Implementation
		2006-03	6,887.00	City of LaGrange Park Recycled Content Benches and Garbage Cans
		2006-05	18,541.95	Industrial Opportunities, Inc. Recycling
Totals	<u>\$ 147,210.95</u>		<u>\$ 147,210.95</u>	

Note: Grant No. 2006-04 was not funded by the state.

**NORTHEAST MISSOURI SOLID WASTE MANAGEMENT DISTRICT - REGION C**  
**COMPOSITION OF CASH BALANCE**  
**JUNE 30, 2007**

Project Grant Number	Project Name	Project Award Amount	Carryover Funds	Total Allocation	Expenditures	June 30, 2007 Grants Cash Balance	
2006-02	Region C Education and Plan Implementation	\$ 6,907	\$ -	\$ 6,907	\$ -	\$ 6,907	O
2006-05	Industrial Opportunities, Inc. Recycling	18,542	A 8,490	27,032	16,274	10,758	O
2007-01	Region C Administration	35,100	-	35,100	33,875	1,225	O
2007-02	Industrial Opportunities, Inc. (Sheltered Workshop) Overhead Expenses	29,950	-	29,950	-	29,950	O
2007-03	City of LaGrange Recycled Content City Trash Cans	5,384	-	5,384	-	5,384	O
2007-04	City of Canton C&C Recycled Content City Trash Containers and Benches	2,946	B 6,463	9,409	-	9,409	O
2007-05	D&D Recycling Business Building Expansion	35,000	-	35,000	-	35,000	O
2007-06	Region C Waste Tire Collections	-	B 47,100	47,100	-	47,100	O
<b>Totals</b>		<u>\$ 133,829</u>	<u>\$ 62,053</u>	<u>\$ 195,882</u>	<u>\$ 50,149</u>	<u>\$ 145,733</u>	

O = Obligated  
U = Unobligated

A = 2003127 \$1,740  
2003128 \$ 280  
2004126 \$2,476  
2004124 \$3,994

B = Reallocation of several grants closed out and put towards these new grants.

2004123 \$11,119  
2004127 \$1,647  
2005181 \$6,469  
2005182 \$28,387  
2005183 \$4,326  
2006-01 \$1,615

Unobligated interest income	29,369	U
Carryover unobligated	<u>5,893</u>	U
Adjusted cash balance	\$ <u>180,995</u>	
Reconciled Bank balance	\$ <u>198,067</u>	
Excess funds held in bank	\$ <u><u>17,072</u></u>	